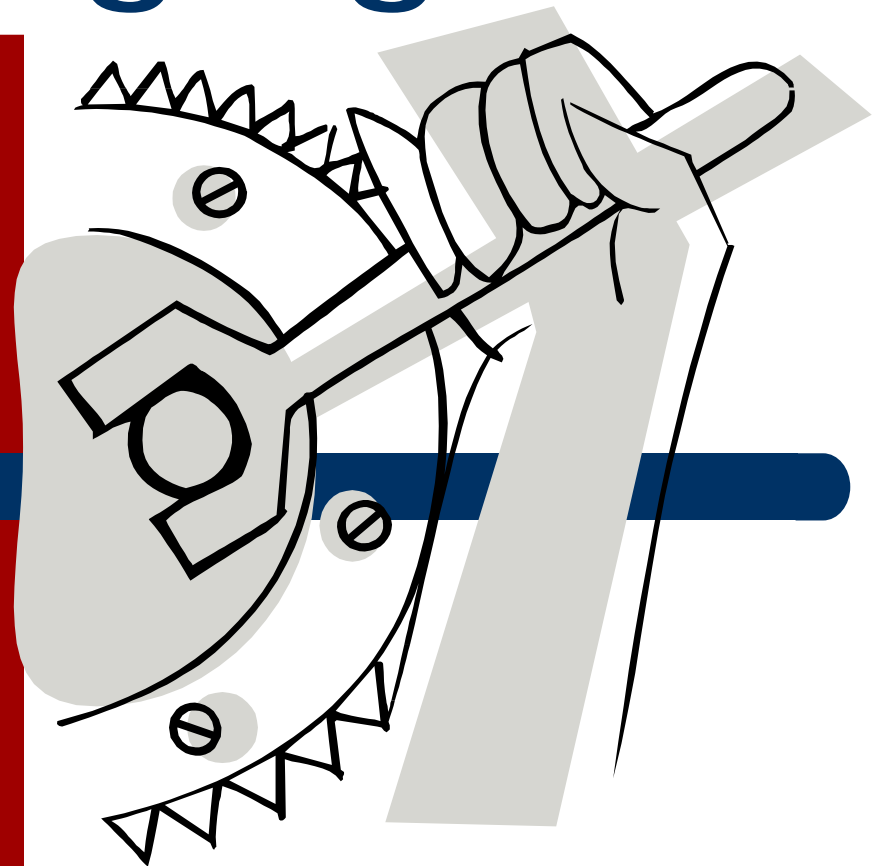


Getting Washington Working Again



Washington needs more JOBS!!!



- Washington is in the midst of the harshest economic contraction since the 1971 Boeing bust, according to local economists.¹
- As of December 2002, we had the third highest unemployment rate in the nation at 6.8 percent.²
- The Department of Finance now predicts employment in Seattle won't rebound to 2000 levels until the third quarter of 2005.¹

1-The Seattle PI: Economic ills may linger in Seattle area (1/9/03)
http://seattlepi.nwsourc.com/business/103334_economy09.shtml

2- US Bureau of Labor Statistics

Washington isn't supporting business hiring...

- Washington is the fifth most regulated state ¹
- We have the second highest minimum wage ²
- Business owners and their employees face a 29 percent increase in their workers' comp premiums³
- Unemployment taxes are the highest in the nation at \$556.50⁴
- In a recent poll of corporate executives, Washington ranked in the top 10 LEAST favorable places to do business.⁵

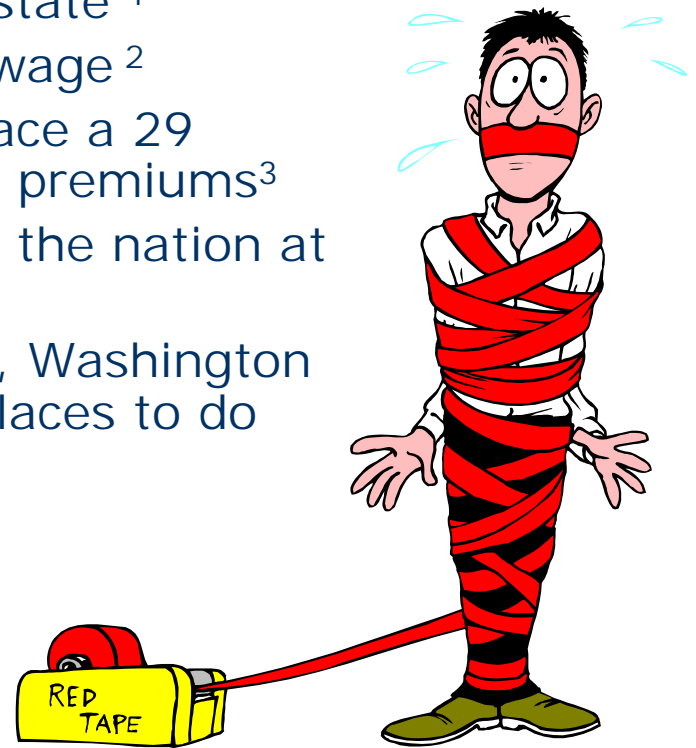
1- Washington Policy Council

2- US Dept. of Labor

3- Washington Dept. of Labor & Industries

4- Washington ACE report

5- Bellingham Herald, 1/29/03



How to fix this?



Budget Like a Business



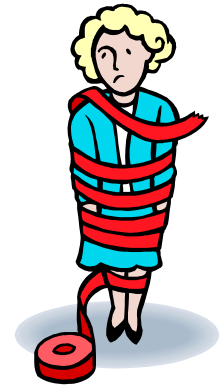
Problem: Businesses in Washington pay 51 percent of all taxes¹—a higher percentage than any of the Western states. High taxes take money away from investment and salaries.

Solution: Balance the state budget without a general tax increase and where possible keep previous tax incentives in place.

First Step: Passed Supplemental Budget implementing \$127 million in cost-savings now and reducing budget by \$250 million for 2003-05.

1- Washington Alliance for a Competitive Economy (ACE): 1/22/02

Reduce Red Tape



Problem: At a minimum a single business owner with no employees must comply with 35 sets of regulations from 18 different local, state and federal agencies.¹ That costs money and takes valuable time away from efforts to grow the business and create jobs.

Solution: Increase accountability in the rulemaking process, provide greater recourse for challenging rules, and ensure adequate notice of new rules and regulations affecting businesses in our state.

First Steps: Pass [regulatory reform and ergonomics bills.](#)

Address Rising Health Care Costs

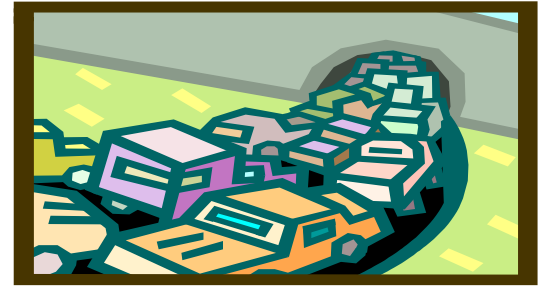


Problem: The number of health care mandates has grown from 1 in 1963 to 47 today. Now, Washington has one of the highest levels of mandates and regulations placed on health insurance and one of the highest uninsured rates in the country.¹ Increasing health care costs take money away from salaries, force costs on to employees or stop employers from hiring.

Solutions:

- Decrease mandates placed on insurance companies which will allow a broader range of affordable plans.
- Address rising malpractice liability insurance costs.

Cut Transportation Costs



Problem: When employees and products are sitting in traffic they are costing money and providing no return. Roughly 90 percent of the major commodities in Washington are shipped through Western Washington ports— making Puget Sound congestion a statewide freight problem.¹ When companies are losing money to goods and people stuck in traffic they don't invest—less new construction, fewer new jobs.

Solutions:

- First, ensure efficiency and accountability in our state's transportation system
- Second, develop a scaled-down solution to fund the most crucial safety and mobility problems.

¹-Washington Transportation Alliance

Reduce costs of workers' compensation program

Problems: Larger employers may self-insure but smaller employers must use the state plan—a monopoly with no incentive to reduce costs or to help employees speed their claims. Our companies and their employees across the state are facing a 29 percent average increase in their workers' compensation rates.²

Solution: Reduce the inefficiencies and unfairness that drive up the cost of the state plan while simplifying the overall workers' compensation system.

1-Washington ACE report, 2002

2- Dept. of Labor & Industries



Support State Programs that Help Businesses Add Jobs

Problem: In a survey of Washington employers, 73 percent said they have difficulty finding qualified applicants.¹ Washington can use its higher education and workforce training system to prepare a more qualified workforce. There are also instances where the state needs greater authority to entice businesses to expand in Washington.

Solutions:

- Support a strong higher education and workforce training system as a means to meet the needs of workers and employers.
- Require the state to invest a reasonable portion of pension funds in Washington companies.



¹- conducted by the Washington State Workforce Training and Education Coordinating Board, Washington ACE, 2003

Improve water permitting and regulation

Problem: Development and expansion are often delayed by cumbersome and intractable water policies.¹ Lack of access to water inhibits business expansion which provide jobs.

Solutions:

- Support solutions to make it easier to transfer water between willing parties, to allow water rights holders more flexibility within their water rights and to speed the water right process.
- Support suburban cities in their efforts to find a quality water source.

1- Washington Competitiveness Council recommendation



Return “justice” to the civil justice system



Problem: Excessive tort awards have ballooned the cost of insurance and fear of lawsuits has scared many businesses away from investment. Both of these effects reduce the jobs available.

Solution: Support modifications to Washington's tort system that protect citizens and their families while addressing the out-of-control costs of litigating frivolous lawsuits.

Improve land use and housing affordability

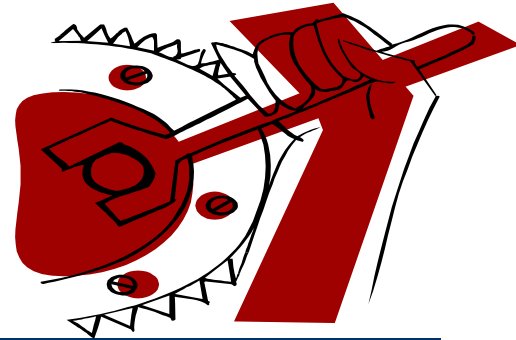
Problem: Multi-family home construction in Puget Sound has dropped by more than a third over the last two years due to lack of available land and access to affordable liability insurance.¹ Construction jobs are lost.

Solutions:

- Reform construction liability to allow condominium owners opportunities to correct problems before lawsuits.
- Review land use and zoning regulations for fairness.
- Streamline permitting processes.



Roadmap to Competitiveness



- Budget like a Business
- Reduce Red Tape
- Address Rising Health Care Costs
- Fight Transportation Gridlock
- Reduce Costs in Workers' Comp
- Support State Programs that Help Businesses Add Jobs
- Provide certainty in water permitting and regulation
- Return "Justice" to the civil justice system
- Improve Land Use and Housing Affordability

Regulatory Reform Bills on Floor

- [SB 5255](#): Limiting the rule-making authority of agencies to specific legislative grants of authority.
- [SB 5256](#): Insisting on the completion of cost-benefit analyses earlier in the rule making process.
- [SB 5257](#): Requiring gubernatorial approval of agency rules
- [SB 5161](#): Ergonomics

[\(back to Roadmap\)](#)

SB 5161: Ergonomics

- Repeals the ergonomics rule and prohibits new rules from being enacted unless required by the federal government.
 - California is the only other state with an ergonomics rule— however, California’s rule focuses on work sites where repetitive motion problems exist and does not impose economic and/or regulatory burdens on sites with no reported problems.*
 - Even the Federal government rescinded its ergonomics rule.¹ [\(back\)](#)
 - **Ergonomics delay passed Senate twice in 2001:**
28-21, 28-20-1

¹-AWB

SB 5255: Limiting the rule-making authority of agencies to specific legislative grants of authority.

- In 1995, the legislature passed HB 1010, which, in part, limited the existing grants of rulemaking authority for some agencies.
- This bill applies the same restrictions to agencies that were not included in HB 1010, and states that they may not rely solely on general intent sections or general enabling provisions as their grant of authority to promulgate rules.
- The agencies may only adopt rules derived from a specific grant of legislative authority.
- **Passed Senate in 2002: 25-23-1**

[\(back\)](#)

SB 5256: Insisting on completed cost-benefit analyses earlier in the rule-making process.

- Agencies must conduct cost-benefit analyses on any “significant legislative rule” prior to adoption. However, in most cases, the analysis is NOT done before the rule is proposed and public hearings are held.
 - **EXAMPLE:** L&I claimed in its cost-benefit analysis for ergo that the rules would cost \$80 m. to implement, but produce \$300 m. in savings on workers’ comp claims and productivity. Business refuted those numbers— claiming costs as high as \$275 m.— but they did not have the cost-benefit analysis at the hearings.¹
- This bill requires a statement describing the methodology to be used to determine the costs and benefits or the availability of a preliminary analysis at the time the rule is proposed. [\(back\)](#)

SB 5257: Requiring gubernatorial approval of agency rules

- Rules could not take effect without the signature of the governor.
 - This would increase accountability by requiring the governor to decide to sign, veto or let a rule go into effect without his signature.
 - If it's good enough for our laws, it's good enough for rules.
- Passed Senate in 2002: 29-20 ([back](#))